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REMARKS

Claims 1-17 are pending in the present application. Claims 1, 2, 4, 5, 9, 10, 12, 16, and 17 are amended by this amendment. No new matter is added by the amendments, which are supported throughout the specification and figures. In view of the amendments and the following remarks, reconsideration and allowance of the present application are respectfully requested.

Applicants note with appreciation that the Examiner acknowledges that claims 2-8 and 10-16 are directed to patentable subject matter. Claims 2 and 10 are amended herein into independent form, and therefore it is respectfully submitted that these are in condition for allowance.

The Examiner presents a request for information pursuant to 37 C.F.R. 1.105. In response, Applicants submit that Applicants do not have any additional material relied upon to develop and/or draft the application. Applicants also submit that the references cited in the previously submitted IDS materials satisfy the requirements of 37 C.F.R. 1.105. If the Examiner has a specific request for additional information, Applicants would readily provide such information at the earliest convenience. Applicants encourage the Examiner to telephone the Applicant's representative if additional material is required.

Claim 17 is rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter. Applicants amend claim 17 as suggested by the Examiner by adding the limitation of "stored on a computer-readable medium" after "program". Therefore, it is respectfully submitted that the amended claim is allowable.

Claims 1, 9, and 17 are rejected under 35 U.S.C. § 102(b) as being anticipated by JPEG 2000. Applicants respectfully traverse.

The Examiner asserts that the arithmetic encoder discriminates (i.e. MPS (CX)=1?) whether each of said symbols is an MPS (More Probably Symbol) or LPS (Less Probable

Symbol), executes CODEMPS in a case where it is discriminated that said symbol is an MPS, and executes either CODEMPS or CODELPS according to a predetermined condition in a case where it is discriminated that said symbol is an LPS (citing page 74, section c.2.3). Without conceding the veracity of the Examiner's position, Applicants amend the independent claims to clarify the subject matter recited therein, and to expedite prosecution. As amended, the claims recite that the feature of the condition to indicate that the predetermined condition is based on a probability of occurrence of an LPS corresponding to a current context. Since the figure cited by the Examiner indicates that in all conditions when "MPS (CX)=1" is not true, CODELPS is executed, it is respectfully submitted that this figure does not disclose or suggest a determination of whether to execute CODELPS or CODEMPS based on a probability of occurrence of an LPS corresponding to a current context. Therefore, it is respectfully submitted that JPEG 2000 does not anticipate, or render unpatentable as obvious, claim 1.

Independent claims 9 and 17 include features similar to those discussed above in regard to claim 1, and therefore these claims are allowable for at least the same reasons as claim 1 is allowable.

In view of the remarks set forth above, this application is in condition for allowance which action is respectfully requested. However, if for any reason the Examiner should consider this application not to be in condition for allowance, the Examiner is respectfully requested to telephone the undersigned attorney at the number listed below prior to issuing a further Action.

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Any fee due with this paper may be charged to Deposit Account No. 50-1290.

Respectfully submitted,



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